



Norman H. Bangerter
Governor

Suzanne Dandoy, M.D., M.P.H.
Executive Director

Kenneth L. Alkema
Director

DEPARTMENT OF HEALTH
DIVISION OF ENVIRONMENTAL HEALTH

288 North 1460 West
P.O. Box 16690
Salt Lake City, Utah 84116-0690
(801) 538-6121

September 5, 1990

DOGM
MINERALS PROGRAM
FILE COPY

RECEIVED
SEP 10 1990

DIVISION OF
OIL, GAS & MINING

Mr. Grant Pinkerton
North Lily Mining Company
P.O. Box 421
Eureka, Utah 84628

RE: Ground Water Discharge Permit

Dear Mr. Pinkerton:

In regard to your correspondence dated August 23, 1990 and to our letter of June 8, 1990 concerning a ground water discharge permit for your leach facility at Silver City, we had notified North Lily that a ground water discharge permit would be needed to operate beyond July 1, 1991. It was our understanding that North Lily expected the current ore supply to be exhausted before that date, and that it would be impractical to obtain a permit for only several months of operation.

Your last letter, and several telephone conversations with Larry Mize and Mack Croft of our office, indicated that you had found additional ore and would like to add an extension to your pad. To do this North Lily will need a construction and ground water discharge permit from this office before construction can begin. The existing pads and facilities are not permitted by rule but will be permitted at the time we issue a ground water discharge permit for the pad extension. You may not use the existing facilities after July 1, 1991 unless a ground water discharge permit is issued.

We understand that you have equipment and manpower currently available to begin construction. Therefore, we will make every attempt to expedite review and issuance of these permits once we have received the application. The ground water discharge permit has a 30-day public notice period and an application fee of \$9000.00. The permit will require the company to file the following items with the Bureau:

1. Closure plans for the facility.
2. Neutralization plans for the treated ore.
3. Plans for neutralization and cleanup of accidental spills of cyanide solutions.

If you have any questions call Mack Croft or Dave Rupp at 538-6146.

Sincerely,

for Don A. Ostler, P.E., Director
Bureau of Water Pollution Control

cc: Roger Foisy, District Engineer
Wayne Hedberg, DOGM

MC:kc
Q:NoLilyap.LTR

0003